



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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November 7, 2011

TO: Supervisor Michael D. Antonovich, Mayor
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: Wendy L. Watanabe *Wendy L. Watanabe*
Auditor-Controller *by Schneiderman*

SUBJECT: **INSTITUTE FOR MULTICULTURAL COUNSELING AND EDUCATION
SERVICES, INC. – A DEPARTMENT OF CHILDREN AND FAMILY
SERVICES' CONTRACT SERVICE PROVIDER – CONTRACT
COMPLIANCE REVIEW**

We have completed a review of the Institute for Multicultural Counseling and Education Services, Inc. (IMCES or Agency). Our review covered a sample of transactions from Fiscal Years (FYs) 2009-10 and 2010-11. The Department of Children and Family Services (DCFS) contracts with IMCES to provide Family Preservation (FP) Program services to children and families, including prevention, support, intervention, transitional, and maintenance services.

The purpose of our review was to determine whether IMCES provided the services in accordance with their FP contract. We also evaluated the adequacy of the Agency's accounting records, internal controls, and compliance with federal, State, and County guidelines.

DCFS paid IMCES approximately \$915,000 on a fee-for-service basis for FY 2009-10. The Agency's offices are located in the Second and Fifth Supervisorial Districts.

Results of Review

IMCES maintained documentation to support the In-Home Outreach Counseling visits, and supplemental services billed to the FP Program. IMCES also had adequate

controls over cash, and adequate documentation to support the Program expenditures reviewed. However, IMCES billed DCFS \$75,409 in questioned costs, and did not comply with some other FP contract requirements. In addition, IMCES has not repaid DCFS \$89,575 in disallowed costs from our prior report. Specifically, IMCES:

- Billed the FP Program 125 hours for mental health services which are not billable under the FP contract. The disallowed costs totaled \$7,860. DCFS indicated that FP contractors are required to refer clients with mental health needs to the County Department of Mental Health (DMH), and should not provide mental health services to FP clients.

IMCES' attached response indicates that they disagree with our finding, and that they did not violate the FP contract. However, the Agency has agreed to repay DCFS the \$7,860. DCFS indicated they will ensure IMCES complies with the contract requirement to refer clients who need mental health services to DMH.

- Did not always provide and/or document the required In-Home Outreach Counseling visits, Multidisciplinary Case Planning Committee (MCPC) Plan meetings, and monthly reports.

IMCES' attached response indicates that they will provide and document In-Home Outreach Counseling visits, MCPC Plan meetings, and monthly reports as required by the FP contract.

- Over-allocated \$66,337 in employee pension cost to the FP Program. IMCES management charged the additional pension cost to the FP Program because the FP Program had funds available.

IMCES has repaid DCFS the \$66,337 in over-allocated pension costs, and their attached response indicates that they have reduced the amount of pension costs allocated to the FP program in subsequent periods.

- Over-charged the FP Program \$1,212 in FY 2009-10 by incorrectly calculating vehicle depreciation expense.

IMCES has repaid DCFS the \$1,212 in vehicle depreciation expense, and their attached response indicates that the overcharge was due to an error in calculating the vehicle depreciation expense charged to the FP Program.

We also noted that IMCES had not repaid DCFS \$89,575 (\$56,676 + \$32,899) in unspent Wraparound Program funds for the Program Years ending April 30, 2008, and 2009, that was identified in our February 26, 2010 DCFS Wraparound Program fiscal review report.

IMCES' attached response indicates that the Agency has established a payment plan with DCFS to repay the \$56,676 for the Wraparound Program Year ending April 30, 2008. However, IMCES has not agreed to repay \$32,899 for the Program Year ending April 30, 2009. DCFS agrees with our recommendation, and notified IMCES to return the remaining \$32,899 to DCFS as required by the Wraparound contract.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed the results of our review with IMCES and DCFS. IMCES' attached response indicates they do not agree with repaying DCFS the \$32,899 in prior Wraparound costs, and that they will continue to bill mental health services to the FP Program in violation of the FP contract. DCFS indicated that they will ensure that IMCES repays DCFS the \$40,759 (\$7,860 in remaining current questioned costs, plus the \$32,899 in prior Wraparound costs), and will ensure that the Agency implements the recommendations in our report, including not billing the FP Program for mental health services.

We thank IMCES management for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:EB

Attachment

c: William T Fujioka, Chief Executive Officer
Philip L. Browning, Interim Director, DCFS
Malak E. Eversole, Ph.D., Chair, Board of Directors, IMCES
Tara Pir, Ph.D., Executive Director, IMCES
Public Information Office
Audit Committee

**INSTITUTE FOR MULTICULTURAL COUNSELING & EDUCATION SERVICES, INC.
FAMILY PRESERVATION PROGRAM
CONTRACT COMPLIANCE REVIEW
FISCAL YEARS 2009-10 AND 2010-11**

BILLED SERVICES

Objective

Determine whether the Institute of Multicultural Counseling and Education Services, Inc. (IMCES or Agency) provided the services billed to Department of Children and Family Services (DCFS) in accordance with their Family Preservation (FP) contract.

Verification

We selected 116 base-rate billings and 557 supplemental billings, totaling \$106,229 and \$27,823, respectively, during Fiscal Years (FYs) 2009-10 and 2010-11. We then reviewed the In-Home Counseling Services (IHOC) visit notes; Multidisciplinary Case Planning Committee (MCPC) plans and meeting notes; Monthly Progress Reports; and documentation for supplemental services in the clients' case files. The 673 (116 + 557) billings represent services to 20 FP clients.

Results

IMCES maintained documentation to support the base-rate billings reviewed. However, IMCES billed 125 hours for supplemental counseling services that should not have been billed to the FP program. Specifically, IMCES billed the FP Program \$7,860 for mental health services that are not authorized under the FP contract. IMCES should have referred these clients to the County Department of Mental Health (DMH) for these services. DCFS management concurred with our finding.

The Agency also did not always provide In-Home Outreach Counseling (IHOC) visits as required, and did not document the MCPC plans and meetings, and monthly reports as required by the County contract. Specifically:

In-Home Outreach Counseling

FP providers are supposed to provide initial IHOC visits within five days of a client's enrollment in FP Program, and four visits a month after that. If an IHOC visit is missed because a family member has an unexcused absence, the FP agency must notify the child's DCFS social worker within 24 hours, and conduct a make-up visit within five business days. Agencies are also required to obtain approval from DCFS to provide FP services after the six-month program.

Our review indicates that IMCES did not provide the required IHOC visits for 18 (90%) of the 20 case files reviewed. Specifically, IMCES:

- Did not conduct initial visits for five (25%) of the 20 clients reviewed within five days of the clients' FP Program enrollment as required.
- Did not notify the children's DCFS social worker within 24-hours of an unexcused absence as required by the FP contract for all 63 unexcused visits reviewed. The 63 unexcused visits involved 18 clients.
- Did not conduct the required make-up visits for 53 (84%) of the 63 missed visits, and did not complete the required make-up visits within five business days for eight (13%) of the 63 missed visits.
- Did not obtain DCFS' approval for two (10%) of the 20 service extensions. The FP contract requires agencies to obtain prior approval from DCFS when extending FP services beyond the six-month term.

Multidisciplinary Case Planning Committee (MCPC) Plans and Meetings

MCPC meetings are meetings of Agency staff to develop each family's service plan, and to analyze the family's progress. FP contractors are required to complete the initial MCPC meeting within 15 business days from the initial visit, and hold follow-up meetings at least every 75 days thereafter. MCPC plans should include information on case progress, treatment goals, and core and linkage services needed.

IMCES did not conduct the required MCPC meetings on time for seven (35%) of the 20 clients reviewed. Specifically, initial MCPC meetings for three clients were held five to 20 days late, and follow-up meetings for six clients were held four to 93 days late. In addition, IMCES did not include all the required information on the MCPC plans for eight (40%) of the 20 clients.

Monthly Progress Reports

FP agencies are supposed to submit monthly progress reports on all clients to DCFS, including the number of meetings held with the clients.

We noted that the monthly progress reports for six (30%) of the 20 clients reviewed were not consistent with the clients' case files. For example, the number of monthly visits reported in the monthly reports differed by one to two visits from the numbers documented in the case files.

Recommendations

IMCES management:

1. **Repay DCFS \$7,860.**
2. **Ensure that mental health services are not billed to the FP Program.**

3. Ensure that IHOC, MCPC plans/meetings, and supplemental services are provided and documented in accordance with the County contract.
4. Ensure that Monthly Progress Reports contain all required information, including accurate numbers of visits.

STAFFING QUALIFICATIONS

Objective

Determine whether IMCES staff had the required qualifications and training to provide FP Program services.

Verification

We reviewed the personnel files and training logs for 13 of the 23 IMCES treatment staff who provided services to FP clients during FY 2009-10 and FY 2010-11.

Results

All the employees in our sample had the qualifications and training required to provide the services.

Recommendation

None.

UNSPENT FAMILY PRESERVATION FUNDS

According to the County contract, FP agencies are required to return any unspent FP funds to DCFS at the end of each fiscal year.

For the Program Year ending June 30, 2010, IMCES' accounting records indicated their FP revenues and expenditures were both \$914,885, with no unspent FP funds. However, as indicated in the Cost Allocation and Fixed Assets sections of this report, IMCES overcharged the FP Program \$67,549 (\$66,337 + \$1,212) during the Program Year. As a result, IMCES needs to reduce their Program expenditures by \$67,549 to \$847,336 (\$914,885 - \$67,549), and repay DCFS \$67,549 in unspent FP funds. After our review, IMCES repaid DCFS the \$67,549.

Recommendation

5. IMCES management ensure that unspent FP Program funds are repaid to DCFS.

CASH/REVENUE**Objective**

Determine whether the Agency deposited cash receipts timely, and recorded revenue in the Agency's records properly.

Verification

We interviewed IMCES' management, and reviewed the Agency's financial records. We also reviewed their March 2011 bank reconciliation.

Results

IMCES deposited cash timely and recorded revenue properly.

Recommendation

None.

COST ALLOCATION PLAN**Objective**

Determine whether IMCES' Cost Allocation Plan was prepared in compliance with the FP contract, and used to allocate shared costs appropriately.

Verification

We reviewed the Agency's Cost Allocation Plan, and selected 36 shared expenses, totaling \$127,963, incurred between July 2009 and February 2011, to ensure that the expenses were allocated among the Agency's programs appropriately.

Results

IMCES prepared their Cost Allocation Plan in compliance with the FP contract, and allocated most shared expenses appropriately. However, IMCES over-allocated \$66,337 in employee pension costs to the FP Program in June 2010. IMCES management indicated that they charged the pension cost to the FP Program because the Program had unspent funds, and they wanted to avoid having to return the unspent funds to DCFS.

Recommendations**IMCES management:**

6. Reduce the FY 2009-10 FP Program expenses by \$66,337.
7. Ensure that shared expenses are allocated based on the Cost Allocation Plan.

EXPENDITURES**Objective**

Determine whether the expenditures charged to the FP Program are allowable under the County contract, documented properly, and billed accurately.

Verification

We interviewed Agency personnel, and reviewed financial records and documentation to support 12 FP Program expenditures, totaling \$15,932, incurred between June 2010 and January 2011.

Results

IMCES' FP Program expenditures were allowable, documented properly, and billed accurately.

Recommendation

None.

FIXED ASSETS**Objective**

Determine whether fixed asset depreciation charged to the FP Program was allowable under the County contract, documented properly, and billed accurately.

Verification

We interviewed Agency personnel, and reviewed the Agency's financial records for its fixed assets. In addition, we reviewed the \$1,322 in depreciation expense charged to the FP Program in FY 2009-10. We also verified the existence and usage of 11 equipment items used by the FP Program.

Results

IMCES overcharged the FP Program \$1,212 for vehicle depreciation. Specifically, the Agency charged a full year of depreciation expense for a vehicle that was purchased in June 2010.

Recommendation

8. IMCES management reduce the FY 2009-10 FP Program depreciation expense by \$1,212.

PAYROLL AND PERSONNEL**Objective**

Determine whether payroll expenditures were charged appropriately to the FP Program. In addition, determine whether personnel files were maintained as required.

Verification

We reviewed \$29,794 in FP Program-related payroll expenditures for 15 employees incurred in February 2011, and reviewed the employees' personnel files.

Results

IMCES' payroll expenditures were charged to the FP Program appropriately. In addition, IMCES maintained personnel files as required.

Recommendation

None.

PRIOR YEAR FOLLOW-UP**Objective**

Determine the status of recommendations from prior Auditor-Controller monitoring review.

Verification

We reviewed the status of recommendations from our February 26, 2010 monitoring review.

Results

The prior monitoring report contained eight recommendations. IMCES has implemented six of the recommendations, and did not implement two recommendations. Specifically, IMCES did not repay DCFS \$56,676 and \$32,899 in unspent Wraparound funds for the contract years ending April 30, 2008, and 2009, respectively.

IMCES response indicates that the Agency has established a payment plan with DCFS to repay the \$56,676 for the Wraparound Program Year ending April 30, 2008. However, IMCES has not agreed to repay \$32,899 for the Program Year ending April 30, 2009. DCFS agrees with our recommendation, and notified IMCES to return the remaining \$32,899 to DCFS as required by the Wraparound contract.

Recommendation

9. **IMCES management implement the outstanding recommendations by repaying DCFS \$89,575 (\$56,676 + \$32,899).**



INSTITUTE FOR MULTICULTURAL COUNSELING & EDUCATION SERVICES

• A NON-PROFIT ORGANIZATION • ASSOCIATED WITH DPI/NGO OF THE UNITED NATIONS FOR HUMAN RIGHTS •

TO: Wendy L. Watanabe
County of Los Angeles, Department of Auditor-Controller
500 W. Temple Ave., Room 525
Los Angeles, CA 90012-3873

FROM: Tara Pir, Ph.D.; CEO/Executive Director

RE: IMCES Response and Corrective Action Plan to Auditor-Controller's Proposed Contract Compliance Review of Family Preservation Program

June 29, 2011

Dear Ms. Wendy L. Watanabe,

The Institute for Multicultural Counseling and Education Services (IMCES) has reviewed the auditor-controller report of our Family Preservation (FP) program and its financial components for the fiscal year of 2009–2010 and 2010–2011. We are pleased to know that the auditor-controller review confirmed that IMCES is in compliance with federal, state, and county guidelines and appreciate the acknowledgement for the quality of work provided by our staff in the delivery of services to high-risk families. The results of the auditor-controller review verified IMCES's strengths in compliance with the county contracts by indicating "No Recommendation" in the following categories:

- Billed Services: Responded.
- Staffing Qualifications: "No Recommendation."
- Unspent Family Preservation Funds: "No Recommendation." (Response included.)
- Cash/Revenue: "No Recommendation."
- Cost Allocation Plan: Responded and Resolved.
- Expenditures: "No Recommendation."
- Fixed Assets: Responded and Resolved.
- Payroll and Personnel: "No Recommendation."
- Prior Year Follow-up: Responded.

In response to the auditor-controller's findings, we would like to note that IMCES does not agree with the item relative to the category of "Billed Services" that resulted in the recommendation for our agency to repay the amount of \$7,860. However, IMCES has agreed to pay back the stated amount as it was indicated that the extension of our contract is contingent upon resolution of this matter. IMCES's response to the contract compliance review of the Family Preservation program is as follows:

BILLED SERVICES

Recommendations

IMCES management:

1. Repay DCFS \$7,860.
2. Ensure that mental health services are not billed to the FP Program.
3. Ensure that IHOC, MCPC plans/meetings and supplemental services are provided and documented in accordance with the County contract.
4. Ensure that Monthly Progress Reports contain all required information.

Results

"IMCES maintained documentation to support the sampled base rate billings billed to the FP program. However, IMCES billed 125 hours, totally \$7,860, for supplemental counseling services that did not meet the program definition of counseling. Specifically IMCES billed the FP Program for mental health services, which are not authorized counseling services under the FP contract. DCFS management concurred with our finding and indicated that FP contractors are required to refer clients with mental health needs to DMH."

IMCES Response:

We believe that we are in complete compliance with our DCFS contract and the Statement of Work (SOW) for billed services. IMCES did not violate the funding source nor did we violate the definition of program according to the SOW for Family Preservation. IMCES generally refers clients with mental health needs to DMH providers. However, in this case, mental health services were not available. In regards to the identified cases, our agency operated based on the ethical obligation not to abandon clients when services were not available and therefore referral was not a viable option. In fact, having the knowledge that services are not available and automatically referring clients out could be harmful and is recognized as unethical in our helping profession. It is commonly known that mental health services for Spanish-speaking indigent populations are extremely limited, not available, or inaccessible in a timely manner.

In addition, IMCES is a mental health provider and we exhausted our own resources of available slots for indigent populations. Needless to say, this source of funding was extremely limited due to funding restrictions since 2009. Also, we were advised that only five agencies have mental health allocations for Family Preservation clients in SPA 4. Other DMH mental health providers had an extensive waiting list for referrals. Therefore, those identified clients would have been without services. Based on this reality, the Department has advised in many occasions that if the clients' needs are determined to be for individual or family/group counseling services that we could use *Counseling Supplemental Services* in absence of available mental health services. In fact, the "MCPC plan agreement" has used the counseling and mental health terminology interchangeably based on clients' needs. We have verified with other providers and they are providing services in the same manner.

The issue at hand comes down to an overlap of definitions for "*Counseling*" and "*Mental Health Services*." Each are defined below as in the SOW.

As stated in Part C of the SOW, Section 1.4:

CONTRACTOR shall provide, either directly or through a Subcontractor, Supplemental Services. These are additional services provided on a case-by-case basis that are reimbursed at a fixed rate.

Under Supplemental Services, 1.4.1, Counseling Services are defined as:

Face to face meetings/interventions by a counselor with an individual, couple, family or group to (1) help identify and assist in solving family problems; (2) identify substance abuse and refer for treatment; (3) address and treat domestic violence or anger management issues; and (4) help identify personal, vocational and educational goals. These services must be provided by a licensed clinician.

As stated in the SOW, Section 2.4.2:

DMH provides mental health services through identified Mental Health Service Rehabilitation Medi-Cal certified providers (eligible to bill Short Doyle Medical) that include: (1) psychological testing; (2) evaluation for medication support; (3) case planning and management; and (4) individual (child and adult), family, and group therapy.

When compared side-by-side, the definitions of “counseling services” and “mental health services” are overlapping: both are defined to provide individual or family/group services by a licensed/certified clinician. The auditor acknowledges the level of professional services conducted by our certified clinicians. However, the auditor proclaimed that counseling services do not need to be delivered by a clinician and that our clinician should not treat “Depression NOS” for the indication of domestic violence.

In this case, we provided the high standard of services at a low, fixed rate of counseling services based on the clients’ needs. We believe that neither the definition of “counseling services” nor the funding source was compromised. In fact, we acted ethically and responsibly to protect the individual and family in accordance with the definition of “counseling services” by providing the needed services when DMH services were not available. Referring was not an option as it would have left the clients without services. Any other course of action would have been unethical. It appears that IMCES is being penalized for acting responsibly with no financial benefit to our agency. It is extremely unjust to be forced to pay DCFS for our agency’s provision of services to the clients.

Corrective Action Plan:

IMCES will continue to accurately assess client need for services, identify as mental health versus counseling, and refer out when appropriate. IMCES will consult with Family Preservation liaisons and obtain written direction from liaison regarding accurately defining counseling versus mental health services to assure ethical, timely, and professional linkages to service providers with mental health contracts in Family Preservation. IMCES will arrange the non-reimbursable services necessary to meet the needs of the family as defined in the MCPC or ARS plan that IMCES does not directly provide by referring out.

In the spirit of collaboration and partnership, we ask the Department of Children and Family Services to provide clarification regarding the current ambiguity and vagueness in the Statement of Work. All of other providers, in addition to IMCES, would benefit from a revision of the Statement of Work to clarify definitions and provide clear guidelines in utilizing discretion when the funding source for referring out is not available.

In-Home Outreach Counseling

ITEM: 1

"Contact the clients DCFS social workers within 24 hours of the unexcused absence in 63 incidents. The 63 incidents represented services to 18 clients."

IMCES Response:

All In-Home Outreach Counselors (IHOC) make contact with DCFS social workers when a client has an unexcused absence. This initial contact is by telephone often resulting in leaving a message when they are notified of client's unavailability for the scheduled appointment. In-Home Outreach Counselors receive this notification or lack thereof in several ways which include: telephone call from client when IHOC is en route to scheduled visit, telephone contact prior to scheduled visit or client/family not home when IHOC arrives to the home for the visit. In most cases, the IHOC would have to leave a message for the CSW due to their unavailability since our contact is their office phone. Forms for notification of unexcused absences are sent electronically via fax transmittal to the DCFS social worker. Notification by telephone of unexcused absence by the IHOC did occur although not documented in the client case file. IMCES offered to produce telephone records as verification of telephone contact with social workers although auditors deferred this suggestion.

Corrective Action Plan:

IHOC will continue to immediately contact DCFS social workers when there is an "unexcused absence" and will document contact, date, and time in client case file. When the IHOC is notified of an unexcused absence, they will contact FP support staff to initiate the submission of the *Notification of Unexcused Absence* form to the respective DCFS social worker. Family Preservation Coordinator will monitor clients' unexcused absences and ensure that *Notification of Unexcused Absence* forms are faxed to DCFS social workers and are included in the case file. Program Manager and Program Coordinator will monitor program implementation to ensure compliance with contractual requirements and that documentation is in case file.

ITEM: 2

"Conduct make up visits after 53 unexcused absences. The 53 absences represented services to 14 clients. Conduct make up visits within 5 business days after eight unexcused absences. These eight incidents represented services to six clients."

IMCES Response:

When there is an unexcused absence the In-Home Outreach Counselor immediately attempts to make contact and reschedule the client for IHOC visit. Every effort is made to provide a time that the client will agree to schedule their makeup visit during that week. In-Home Outreach Counselors are continually faced with barriers which prevent the IHOC from being able to implement the makeup visit. Clients frequently do not respond to the request to schedule or request that the visit remain at the scheduled time for the following week. All cases involved client's unavailability to schedule the IHOC makeup visit and were consistently documented in the following In-Home Outreach Counselor's visit note.

Corrective Action Plan:

IHO will continue to work with clients to reschedule makeup visit when an unexcused absence occurs. In-Home Outreach Counselor will notify and document in the client case file when the client is unavailable and/or unwilling to schedule a makeup visit for the unexcused absence. IHO will notify FP Coordinator when there is an unexcused absence and the Program Coordinator will provide monitoring and oversight to ensure that make up visits occur following a client's unexcused absence. FP Manager will review client case files to ensure that all supporting documentation related to clients' unexcused absence and IHO attempts at scheduling make up visits is documented in the case file. Program Coordinator and Manager will provide program oversight to ensure contractual compliance.

ITEM: 3

"Conduct initial visits within five days of the client's enrollment to the FP program for five clients."

IMCES Response:

IMCES notifies DCFS community-based liaison upon receipt of the *Family Preservation Service Authorization* form and the case is assigned to In-Home Outreach Counselor who initiates immediate contact with the client. There are several issues that impede this first visit occurring within the required five days even though the IHO has actively and assertively attempted to schedule this visit. It is not uncommon for IMCES to receive the *FP Service Authorization* forms with inaccurate client phone number and address. This automatically creates a delay in our ability to set up the first visit. Once identified, our only recourse is to immediately contact the social worker, often resulting in leaving a message and waiting for a return phone call. These systemic issues have been voiced in Family Preservation Task Force and Roundtable meetings. It has been IMCES' practice to move immediately to social work supervisors and community based liaisons to acquire the necessary and accurate information that should be provided at time of referral in order to meet contractual requirements.

Corrective Action Plan:

IMCES will verify receipt of FP service authorization with community-based liaison and assign the case to the In-Home Outreach Counselor. The IHO begins contacting the client immediately to establish a date for the initial visit. There will be immediate notification of any inaccurate information to DCFS social worker, social worker supervisor, and community-based liaison in order to obtain accurate information such as client telephone number and address.

In-Home Outreach Counselor will document in the case file any and all barriers that impede completion of initial visit within 5 days of client enrollment. IHO will document all service activity and make contact with DCFS and probation representatives in the case file.

IMCES will continue to effectively and assertively work with DCFS and Probation to ensure the 5-day contractual compliance. As part of our due diligence, our IHO will drive to the client's known address in our attempt to access and enroll the client in Family Preservation services.

ITEM: 4

"Obtain DCFS' approval for service extension for two clients."

IMCES Response:

IMCES adheres to Family Preservation policies, procedures, and contractual requirements for the proper submission of service authorization requests. All service authorizations and extensions are maintained in the client case file. IMCES has the documentation which verifies our request for client service authorization in the client case file.

Corrective Action Plan:

IMCES will consult with the DCFS social worker and initiate request for authorization for service extension for FP clients. Program Coordinator will be notified of all service extension authorization requests and ensure that service authorization documentation is in client case file.

Multidisciplinary Case Planning Committee Plans and Meetings

"The purposes of MCPC meetings are to develop the family's service plan and to analyze the family's progress. The Initial MCPC meeting is required to be held within 15 business days from the initial visit and at least every 75 days thereafter. IMCES did not always provide MCPC for 14 (70%) of the 20 clients sampled in accordance with the County contract."

ITEMS: 1-3

"The initial MCPC meetings for three clients were conducted from five to twenty days later than the required timeframe. Six MCPC meetings were from four to 93 days late. Thirteen MCPC's did not include all the required information, including the social workers' signatures and the names of the clients to be served. The number of MCPC plans in question exceeds the number of clients because three clients' case files include multiple MCPC plans in question."

IMCES Response:

In-Home Outreach Counselor attempts to schedule initial MCPC meeting at client's first IHOC visit to comply with the contractual requirement. Coordination with the social worker and probation officers often make it difficult to complete the MCPC within the required time frame. In-Home Outreach Counselors assertively engage with social workers and probation officers to schedule MCPCs and are often faced with schedule conflicts, cancellations, and no-shows at the time of the scheduled MCPC. IMCES has developed and implemented an internal database which tracks MCPC dates for each client and a master MCPC calendar is created for the Family Preservation Department staff to track and monitor compliance.

In-Home Outreach Counselor completed the MCPC *Scheduling Deferment* form when the scheduled MCPC must be deferred due to cancellations by client and/or MCPC team members. Cases identified as out-of-compliance had documentation of scheduling deferment in client case file indicating the reason for MCPC deferment. For those cases identified where there were missing social worker signatures, this was a direct result of CSW's non-participation in the MCPC meeting. IMCES will fax a copy of the MCPC for signature if the social worker is not physically present at the MCPC. The original MCPC document along with copy of signature pages is placed in the client case file.

Corrective Action Plan:

In-Home Outreach Counselors will continue to determine and confirm the date of the initial MCPC meeting at the first IHOC visit and confirm the date with the social worker or probation officer. All clients are entered into the IMCES Family Preservation database and a master calendar is created to include the MCPC scheduled dates for each client. The Family Preservation Coordinator and Program Manager provide administrative oversight to ensure the successful implementation of all MCPCs to ensure contract compliance. The Program Coordinator and Program Manager will facilitate and provide supervision as needed to ensure that all clients who are to receive services and all necessary signatures are identified in the plan agreement document.

Monthly Progress Reports

"IMCES did not adequately document the monthly reports for six (30%) of the 20 clients. Specifically, eight monthly reports were not consistent with the IHOC notes documented in the clients' case files. IMCES is required to prepare and submit a Monthly Progress Report for each family to the families DCFS social worker."

IMCES Response:

IMCES continues to complete and submit monthly reports to DCFS to maintain compliance with contractual requirements. In-Home Outreach Counselors submit all IHOC progress notes to the Clinical Supervisor for quality assurance and clinical oversight. Family Preservation support staff collect and enter FP data into the IMCES internal database. IHOCs are scheduled to complete all monthly reports, submit them to the Clinical Supervisor for review and approval. The Program Manager will monitor compliance to identify timelines as required by Statement of Work.

Corrective Action Plan:

In-Home Outreach Counselor prepares the monthly report and submits the report to the Clinical Supervisor for review and approval. The Program Coordinator will monitor timely submission of monthly reports to ensure compliance with contractual requirement. The Program Manager will provide administrative oversight to ensure quality assurance and contractual compliance.

UNSPENT FAMILY PRESERVATION FUNDS

Recommendation:

None.

IMCES Response:

Although the recommendation indicates "none," we would like to explain our rationale for this section. The DCFS contract is on a fee-for-service basis. The understanding for this type of contract is that we are being reimbursed for actual services delivered, and we billed DCFS based upon the agreed rate in the contract. Accordingly, the amount paid by DCFS is in fact earned by our agency and we allocated these earned funds appropriately to cover our expenses, including allocation for pension plan. As the auditor noted, we have been very conservative with our expenses and try diligently to keep costs down. We have been happy to

have funds available to contribute to our pension plan fund to benefit our long-term employees as an incentive to continue their commitment to continuing effective services to our clients and to support retention of trained, qualified staff. Since funds from DCFS fluctuate from year to year, as our contractual amount was in fact reduced the following year, we hoped to reserve funds from the previous year to carry on to the next to maintain compliance with the structure of the IRS pension plan. However, the Family Preservation program manager indicated that we may not save funds from one year to the next—despite the ability to reserve funds as such with the Wraparound program, which is also a DCFS contractual program. In order to remain in compliance with the Family Preservation program, we immediately reduced our pension plan allocation and returned the requested amount of \$67,549. In addition, there was a human error of \$1,212 which was immediately returned as well.

COST ALLOCATION PLAN

Recommendations:

IMCES management:

5. Reduce the FY 2009-10 program expenditures by \$66,337.
6. Ensure that shared program expenditures are allocated based on the Cost Allocation Plan.

IMCES Response:

We were frequently complimented for our cost allocation methodology and structure by the previous auditor-controllers as well as the current auditor-controller. IMCES's response to the recommendation for cost allocation is explained under "UNSPENT FAMILY PRESERVATION FUNDS."

FIXED ASSETS

Recommendation:

7. IMCES management reduce the FY 2009-10 program expenditures by \$1,212.

IMCES Response:

As explained under "UNSPENT FAMILY PRESERVATION FUNDS," there was a human error and the amount of \$1,212 was immediately repaid. This recommendation was immediately resolved.

PRIOR YEAR FOLLOW-UP

Recommendation:

8. IMCES management implement the outstanding recommendations by repaying DCFS the \$89,575 (\$56,676 + \$32,899).

IMCES Response:

IMCES implemented the prior year recommendation. We have made arrangements with Mr. Sergio Verceles, Administrative Services Manager in the DCFS Accounting Department, and we agreed for our agency to repay the recommended amount in installments of a five-payment deductible plan for Wraparound for the total amount of \$56,676. However, we were surprised that the auditor-controller added \$32,899 to the recommendation of the prior year while the scope of the review was determined and concluded in the audit report on February 26, 2010. If the auditor is looking at the following year, our documentation clearly indicates the amount of \$22,200 as a reserve from 2007-2008 was expensed in 2008-2009, and it was counterbalanced through expenditures. In fact, for the following year, our agency's actual expenditures exceeded the revenues from DCFS. We also had to come up with an additional \$95,452.26 for the following year in 2009-2010 in order to cover the expenses of our Wraparound program due to fluctuation in funding. The reason for the reduced revenue is the fact that we had less clients in general and more tier 2 clients at the rate of \$1,200 than we had of tier 1 clients at the rate of \$4,184, while we must maintain a team of three staff members for each team to sustain ten clients. We believe that our prior audit recommendation indicated \$56,676 in repayment and we followed up with the recommendation. Also, we contacted the Wraparound program manager—Dr. Michael Rauso, Division Chief—who indicated that he will look into this matter for our agency.

Program Strengths and Overall Strategic Plan of Action for Future

IMCES is strongly committed to the continuation of high quality service provision and contributing to the success of the Family Preservation program as evidenced by the following:

- 1) I have presented the success stories and promoted the effectiveness of the FP program at national and international professional conventions, including the United Nations under the topic of sustainability strategy for underserved indigent populations.
- 2) In addition to this, I had the opportunity to meet with one of the Board of Supervisors in May and was able to share our agency's many successes with the Family Preservation program and the impact it has had on the families of Los Angeles. I advocated the FP program by highlighting its effectiveness and how it can be modeled globally.
- 3) IMCES has developed an infrastructure to ensure the quality and compliance of service provision through internal reconstruction and control as follows:
 - a. Training and Case Conference:
IMCES Family Preservation staff meets weekly on Mondays to discuss cases to ensure compliance and assess needed services to determine appropriate intervention for each case and follow-up.
 - b. Client Feedback:
We provide our FP clients with a client satisfaction survey to collect and analyze client feedback to improve our services. We conducted the DCFS client satisfaction survey with all of our clients and we received high ratings and positive feedback with regards to service delivery, cultural competency, performance, and dedication of our in-home outreach counselors.

c. Structure:

IMCES has structured the FP program internal management structure to include Program Manager, Program Coordinator, and Clinical Supervisor for the purpose of monitoring and reviewing quality of services and proper documentation.

d. Quality Assurance:

- i. IMCES Program Manager and Program Coordinator meet with FP staff every Friday to review program documentation and billing.
- ii. FP staff submits progress notes to be reviewed by the Clinical Supervisor and program management to assure proper documentation and billing.
- iii. Clinical Supervisor meets with each IHOC to review, evaluate, and monitor content of progress notes to ensure clinical integrity and supervision of intervention strategies.
- iv. Clinical Supervisor will review all monthly reports to ensure accuracy as it relates to MCPC requirements, dates of service, participants, and statement of progress as indicated in monthly reports.
- v. Program Coordinator and Program Manager each will ensure quality service provision and compliance with contractual requirements.
- vi. Support staff ensure data and billing are accurately reflected in our internal database system

e. Database and Technology:

- i. IMCES has developed a comprehensive internal database to track all client information including supplemental services and MCPCs and update on a daily basis (copy of database template is attached).
- ii. IMCES is in the process of implementing an Electronic Health Records system with advanced software to streamline processes and ensure accuracy of data collection and processing to further assure compliance with our contractual agreement.

f) Parenting Project:

IMCES has developed a Parenting Project to directly address the target population issue and enhance the family's capabilities through responsive and responsible parenting. We have staff with strengths and experience in parenting designated to work with each case in the convenience of their own home. IMCES has implemented a pilot project to help families develop age-appropriate discipline and effective communication among family members using a reward system.

IMCES is committed with a specific strategic plan and confident that we are making changes to provide the highest quality of effective services to our clients in collaboration with the DCFS program management.

Sincerely,

A handwritten signature in black ink that reads "Tara Pir, Ph.D.".

Tara Pir, Ph.D.
CEO / Executive Director